



Arnold Schwarzenegger
Governor

August 24, 2010
22:428:srg:1115:1211

Ms. Mary Camacho, Superintendent
Imperial Valley Regional Occupational Program
687 West State Street
El Centro, CA 92243

Dear Ms. Camacho:

WORKFORCE INVESTMENT ACT
VETERANS EMPLOYMENT-RELATED ASSISTANCE PROGRAM
15-PERCENT ADULT PROJECT
25-PERCENT DISLOCATED WORKER PROJECT
FINAL MONITORING REPORT
PROGRAM YEAR 2009-10

This is to inform you of the results of our review for Program Year (PY) 2009-10 of the Imperial Valley Regional Occupational Program's (IVROP) administration of its Workforce Investment Act (WIA) Veterans Employment-Related Assistance Program (VEAP) Projects. This review was conducted by Ms. Shannon Gonzalez and Mr. Dale Kunesh from May 17, 2010 through May 20, 2010. For the program operations portion of the review, we focused primarily on the areas of program administration, participant eligibility, WIA activities, and management information system/reporting. For the financial management portion of the review, we focused primarily on the areas of accounting systems, expenditures, allowable costs, cost allocation, reporting, cost pools, indirect costs, cash management, internal controls, program and interest income, and property management. For the procurement portion of the review, we focused on procurement competition, cost and price analyses, and contract provisions.

Our review was conducted under the authority of Sections 667.400(c) and 667.410(b) (1)(2)(3) of Title 20 of the Code of Federal Regulations (20 CFR). The purpose of this review was to determine the level of compliance by IVROP with applicable federal and state laws, regulations, policies, and directives related to the WIA grant regarding program operations, financial management, and procurement.

We collected the information for this report through interviews with IVROP representatives and WIA participants. In addition, this report includes the results of our review of sampled case files for participants enrolled in the WIA VEAP projects; a review of IVROP's response to Sections I and II of the Program On-Site Monitoring

Guide; applicable policies and procedures; and a review of documentation retained by IVROP for a sample of expenditures and procurements.

We received your response to our draft report on August 5, 2010 and reviewed your comments and documentation before finalizing this report. Because your response did not adequately address finding 1 cited in the draft report, we consider this finding unresolved. We request that IVROP provide the Compliance Review Office (CRO) with a corrective action plan with a timeline and additional information to resolve the issue that led to the finding. Therefore, this finding will remain open and has been assigned Corrective Action Tracking System (CATS) number 10124.

BACKGROUND

The IVROP was awarded \$250,000 in 15-Percent funds and \$250,000 in 25-Percent funds to operate WIA 15-Percent and 25-Percent VEAP Projects to serve 200 WIA 15-Percent and 25-Percent participants from January 1, 2009 through December 31, 2010.

For the month ending May 2010, IVROP reported that it spent \$116,055.39 of its 15-Percent funds and \$105,473.89 of its 25-Percent funds and enrolled 62 WIA 15-Percent and 25-Percent participants. We reviewed case files for 31 of the 62 15-Percent and 25-Percent participants enrolled in the WIA VEAP Projects as of May 20, 2010.

PROGRAM REVIEW RESULTS

While we concluded that, overall, IVROP is meeting applicable WIA requirements concerning grant program administration; we noted an instance of noncompliance in the area of follow-up procedures. The finding that we identified in this area, our recommendation, and IVROP's proposed resolution of the finding is specified below.

FINDING 1

Requirement:

WIA 134(d)(2)(K) states, in part, funds shall be used to provide core services, which shall include follow up services for participants not less than 12 months after the first day of the employment.

Title 20 CFR Section 663.150(b) states, in part, follow up services must be made available, as appropriate, for a minimum of 12 months following the first day of employment.

WIAD 02-14 states, in part, as required by WIA, follow-up services must be made available to adults and dislocated

workers who enter unsubsidized employment for a minimum of 12 months following placement in order to ensure employment retention, wage gains, and career progress. The types and duration of services must be determined and documented for each individual.

Subgrant R973187, Narrative Section 3(2) states, in part, IVROP will provide follow-up services on a regular basis. Participants exiting prior to the end of the grant will be monitored every 90 days for a period of one year from the date they exit from the program.

Observation:

While reviewing participant files, we noted seven participants exited the program and entered employment more than 90 days ago; however, there was no indication or documentation to support IVROP provided any follow up services. The exit dates were as follows:

- June 30, 2009
- August 4, 2009
- August 26, 2009
- September 30, 2009
- October 20, 2009
- December 29, 2009
- February 4, 2010

Recommendation:

We recommend IVROP provide the Compliance Review Office (CRO) with a corrective action plan, including a timeline that will ensure current and future participants are provided appropriate follow-up services no less than every 90 days for a minimum of 12 months following exit. We further recommend that IVROP conduct follow-up services on the above-listed participants and provide a copy to CRO.

IVROP Response:

The IVROP stated that IVROP will assure follow-up services, as required by the Subgrant R973187. The services will be documented and completed as detailed in WIA 134(d) (2) (k), Title 20 CFR Sections 663.150 (b) and WIAD 02-14.

IVROP's project coordinator has been directed to assure that staff follow through on follow-up activities and that all documentation is available for review.

To this end, the Program Coordinator will continuously monitor follow-up activities using the following tools:

1. JTA Follow-up activity reports
2. Follow-up Tracking Spreadsheet
3. In-house database follow-up Activity reports

Furthermore, IVROP's project coordinator has instructed staff to dutifully document services provided in clients' case files. Staff has further been instructed to provide weekly follow-up status reports versus monthly reports.

State Conclusion:

Based on IVROP's response, we cannot resolve this issue at this time. IVROP did not provide a timeline that will ensure current and future participants are provided appropriate follow-up services no less than every 90 days for a minimum of 12 months. In addition, IVROP did not provide CRO with a copy of the follow-up services that were conducted on the seven participants. Therefore, this finding will remain open and has been assigned CATS number 10124.

FINANCIAL MANAGEMENT REVIEW RESULTS

We concluded that, overall, IVROP is meeting all applicable WIA requirements concerning financial management.

PROCUREMENT REVIEW RESULTS

We concluded that, overall, IVROP is meeting all applicable WIA requirements concerning procurement.

We provide you up to 20 working days after receipt of this report to submit to the Compliance Review Office your response to this report. Because we faxed a copy of this report to your office on the date indicated above, we request your response no later than September 22, 2010. If we do not receive a response by this date, we will release this report as the final report. Please submit your response to the following address:

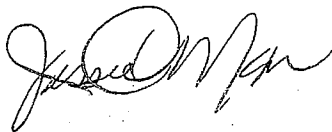
Compliance Monitoring Section
Compliance Review Office
722 Capitol Mall, MIC 22
P.O. Box 826880
Sacramento, CA 94280-0001

In addition to mailing your response, you may also FAX it to the Compliance Review Office at (916) 654-7756.

Because the methodology for our monitoring review included sample testing, this report is not a comprehensive assessment of all of the areas included in our review. As you know, it is IVROP's responsibility to ensure that its systems, programs, and related activities comply with the WIA, related Federal regulations, and applicable State directives. Therefore, any deficiencies identified in subsequent reviews, such as an audit, would remain IVROP's responsibility.

Please extend our appreciation to your staff for their cooperation and assistance during our review. If you have any questions or need additional information, please contact Ms. Cynthia Parsell (916) 654-1292.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jessie Mar".

JESSIE MAR, Chief
Compliance Monitoring Section
Compliance Review Office

cc: Herlinda Belcher, Board of Trustees, President
Georganne Pintar, MIC 50
Elizabeth Thomsen, MIC 50